Mr. REED. Mr. President, let me first recognize the contribution of my colleague from Illinois with respect to the bankruptcy provision. He explained it extremely well. What it does is give homeowners a chance to get out from underneath a collapsing housing market in the United States. It has been well tailored and it is responsible and I think we should adopt it quickly in this package that is going forward.

The whole housing crisis is a reflection of a much deeper economic malaise that is gripping the country. We are seeing skyrocketing prices in terms of energy and foodstuffs. On the recess I visited two Italian bakeries in Rhode Island. They have been family-owned companies for over 100 years, and they have never seen the runup in prices of wheat they have seen over the last several weeks and months.

The final thing is that we are losing jobs now. In the last 2 months, we have lost many jobs. We lost 63,000 jobs last month. That is the largest monthly decline in jobs in 5 years. The national unemployment rate is 4.8. In Rhode Island it is 5.8 percent. We are seeing an economy sliding into recession. Key to this, in my view, to reconcile and try to stop the erosion of economic opportunity in this country is to stabilize the housing market. That is what the package of proposals that we will vote on this afternoon attempts to do.

We have a situation in this country where incomes have been flat for the last 8 years for most Americans—unless you were extraordinarily compensated at the highest levels. But if you are a working man or woman, low income, middle income, or even upper middle income, your income has been relatively flat. You have seen accelerated costs. The last thing people had in their tool kit, if you will, was the value of their homes. They could draw on that in emergencies and use it to help children go to college. They could use it if there was an unexpected expense.

Now, with declining housing values, American families are being squeezed dramatically—job losses, increasing prices, flat incomes, and now declining housing values. In fact, it has been estimated that today in the United States the value of homes fell below 50 percent of equity—the ratio of equity fell below 50 percent for the first time in a long time.

We are also looking at a situation where there is a record number of foreclosures. Just this morning, coming into work and listening to the radio, I heard in Montgomery County, MD, there is a huge acceleration of foreclosures in that suburb. It is also happening across the country. In the Providence Journal in Rhode Island, there used to be maybe two, three pages of foreclosures on a high number. Now there is a whole section devoted to foreclosures.

This is becoming a problem not just for individual households but for communities because the value of a foreclosed home brings down the value of the surrounding homes. It is a cascading effect. It ruins communities as well as impairs the credit and lives and the opportunities of individual families. We have to do much more to stem this decline, particularly with respect to housing values.

Yesterday, I noted that Secretary Paulson announced significant steps, he proclaimed, to begin to revise the regulation of financial institutions, and part of it is prompted by the subprime mortgage crisis, the securitization of these loans. There is nothing in his blueprint that dealt with the most important aspect of the problem, and that is home values. The administration has been very keen and quick to help Wall Street. The reality is we have to help Main Street, individual homeowners across this country. If we do I think that will provide a surge of confidence to the economy, which is the key factor in beginning a recovery from what looks like the beginning of a recession, and perhaps a long recession, unless we act promptly.

I have joined my colleagues to introduce this legislation, the Foreclosure Prevention Act of 2008, which builds on the economic stimulus package. It is a complement to it. I hope we can move today, despite previous opposition by my colleagues on the Republican side, to take up this legislation and begin the debate and modify it, if necessary, but move forward deliberately and quickly to address the issue of housing in the United States.

This legislation, if enacted, would help families keep their homes by providing counseling for foreclosures, by expanding refinancing opportunities, and by getting the services and the counselors together to attempt to allow people to stay in their homes. One aspect of this, as mentioned by my colleague from Illinois, is the Bankruptcy Code modification that would allow these residences to be subject to a bankruptcy judge's determination of a different workout plan for the home. It also helps communities withstand the impact of foreclosures, as there is a cascading effect. If one home is foreclosed, the value of other homes begins to decline automatically. This would provide community development block grants to cities to purchase some of these homes. We have to move quickly because one of the other aspects is when these homes in urban areas are empty for a matter of weeks, or even, in some cases days, they are stripped—the siding is ripped off, or the copper plumbing is taken out. Unless there is someone to go in there and keep it in use or to board it up and protect it, then these homes are going to be a loss not just temporarily but for a longer term.

This is going to help businesses by expanding the carry-back period from 2 to 5 years to utilize losses incurred in 2006 and 2007 and 2008. It is going to help, I hope, avoid foreclosure in the future. It will deal with the issue of clear disclosure of a maximum amount of a loan and maximum monthly payment legislation that I authored. This will give a bumper sticker or a big warning label on a mortgage to individual borrowers and tell them the maximum amount of money they have liability for. So the introductory teaser rate of $1,000 a month might be attractive, but if people realize that within a year or 2 years they will be paying two or three times that, it will give them the information they need to make a better judgment about signing up for that loan.

So this legislation is critical to families, and it is particularly critical, I think, to ensure that we begin to work our way out of the looming recession and an economy that is deeply troubled. I hope all my colleagues will vote to go forward with this measure and, I hope, pass this measure.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, The Senate, at 12:29 p.m., recessed and reassembled at 2:15 p.m. when called to order by the Presiding Officer (Mr. CARPER).

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

NEW DIRECTION FOR ENERGY INDEPENDENCE, NATIONAL SECURITY, AND CONSUMER PROTECTION ACT AND THE RENEWABLE ENERGY AND ENERGY CONSERVATION TAX ACT OF 2007—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the motion to reconsider the vote by which cloture was not invoked on the motion to proceed to H.R. 3221. The motion to reconsider is agreed to, and there will now be 15 minutes of debate equally divided prior to a vote on cloture on the motion to proceed to H.R. 3221, with the majority leader controlling the second half of that time.

The Republican leader.

Mr. McCONNELL. Mr. President, the majority leader and I have had good conversations this morning, and a few moments ago, we reached an agreement on how to go forward on the housing bill. That agreement is as follows: that Senator DODD, the chairman